

**Ohio Library Council
BOARD OF DIRECTORS**

ITEM NO.: **5.E.1**

MEETING DATE: **July 18, 2025**

SUBJECT: **Government and Legal
Services Report**

SUBMITTED BY: **Jay Smith**

REPORT FOR INFORMATION

PLF Update

The new fiscal year (FY26) began on July 1, and unfortunately, Ohio's public libraries are facing a decrease in funding compared to last year. The Public Library Fund (PLF) closed out FY25 at \$504.6 million, but the amount available to public libraries for FY26 has been reduced to \$479.7 million.

The PLF is now a line-item appropriation instead of being calculated as a percentage of the state's General Revenue Fund. The new state budget allocates \$490 million for FY26 and \$500 million for FY27. However, annual transfers of \$10.3 million will be deducted from the PLF to support the State Library of Ohio, Ohio Public Library Information Network (OPLIN), Library for the Blind, Regional Library Systems and Ohioana Library Association. This brings the actual PLF distribution totals for public libraries to \$479.7 million in FY26 and \$489.7 million in FY27.

HB 96 State Budget Update

Public Library Fund

- Reduces actual state funding for public libraries from \$504.59 million in FY25 to \$479.7 million in FY26 and \$489.7 million FY27.
- Changes the Public Library Fund (PLF) from a percentage of General Revenue Fund (GRF) tax receipts to a line-item appropriation.
- Funds the PLF at \$490 million in FY26 and \$500 million in FY27 through a line-item appropriation instead of a percentage of state tax receipts as proposed by the Governor.
- The Senate added language to deduct more than \$10.3 million in each fiscal year from the PLF line-item appropriation to fund the following entities: State Library of Ohio, OPLIN, Library for the Blind, Regional Library Systems, and the Ohioana Library Association.

Library Materials

- Requires public libraries to place material related to sexual orientation or gender identity or expression in a portion of the library that is not primarily open to the view of individuals under the age of 18. ***The Governor vetoed this provision in the budget. Certain legislators have publicly called for this veto to be overridden.

County Budget Commissions

- Allows a county budget commission to reduce millage on any voter-approved tax levy, aside from a debt levy, if the commission finds it reasonably necessary or prudent to avoid unnecessary, excessive, or unneeded property tax collections.

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***The Governor vetoed these provisions in the budget. The Ohio House has scheduled a session on Monday, July 21 to override this veto.

Income Tax Changes

- Reduces Ohio state income tax to a flat rate of 2.75% starting in Tax Year 2026. The marginal tax paid on income over \$26,050 begins to reduce (in Tax Year 2025 for those making less than \$100,000 and in Tax Year 2026 for all taxpayers.)

Replacement Levies

- Eliminates replacement property tax levies beginning with elections held on or after January 1, 2026. ***The Governor vetoed this provision in the budget. The Ohio House has scheduled a session on Monday, July 21 to override this veto.

Library Trustee Terms

- Reduces the term of office for school district library trustees and county district trustees from seven to four years.

Cybersecurity

- Requires the legislative authority of a political subdivision to adopt a cybersecurity program that safeguards the political subdivision's data and makes other changes.

More will be discussed during the board meeting.

Constitutional Amendment to Eliminate Property Taxes

Citizens for Property Tax Reform, the group responsible for collecting signatures in order to get a constitutional amendment added to the November 2025 ballot, has fallen short of the 413,487 signatures needed. Supporters of the ballot initiative had until July 2 to collect the necessary signatures after the measure was certified by the Ohio Ballot Board in May. It was recently reported that the group is now focusing on the 2026 ballot instead.

If successful at the ballot box, the initiated constitutional amendment would prohibit taxes on real property and significantly impact local governments including public libraries, which rely heavily on local property tax revenue.

Budget Wrap Up Webinar Scheduled for July 30

With Governor DeWine's signature on House Bill 96, the state budget is now final and the OLC is hosting a comprehensive webinar to break it all down. Join us for a detailed look at the final budget, including changes made by the conference committee, the governor's line-item vetoes, and what this all means for Ohio's public libraries. In addition to reviewing the budget itself, the webinar will explore what's next—discussing potential developments in the General Assembly and what library leaders should keep an eye on moving forward. The free webinar is scheduled for July 30 at 10am.